

**Memorandum to the File  
Case Closure**

**Alleged Conflict of Interest and Misuse of Government Resources  
VA Mid-South Healthcare Network, Nashville, Tennessee  
(2012-04586-1Q-0003)**

The VA OIG Administrative Investigations Division initiated an investigation into allegations that (b) (7)(C) VA's Mid-South Healthcare Network, Nashville, Tennessee, engaged in a conflict of interest and misused Government resources. (b) (7)(C) allegedly discussed post-VA retirement employment plans with Sinclair Advisory Group (SAG), a contractor with an ongoing contract at the Network, and that (b) (7)(C) hired (b) (7)(C) a personal friend, at a high fee to provide oversight at the Robley Rex VA Medical Center, Louisville, KY. To assess these allegations, we reviewed emails, Office of General Counsel (OGC) documents, and other relevant records, as well as Federal laws, regulations, and VA policy. During our investigation, we learned that VHA Work Force Management (WFM) was in the process of conducting a thorough fact-finding inquiry on the same allegations. We therefore did not expend any further investigative resources.

Standards of Ethical Conduct for employees of the Executive Branch state that an employee shall not use public office for private gain and employees shall act impartially and not give preferential treatment to any private organization or individual. 5 CFR § 2635.101(b)(7) and (8).

(b) (7)(C) told us that (b) (7)(C) (b) (7)(C) asked him recently about similar allegations and that he provided responses to (b) (7)(C) questions. (b) (7)(C) told us that he was conducting a fact-finding inquiry, which was an informal method to compile background information and facts in connection with a particular event or complaint. He said that these inquiries could be used to determine whether a more extensive review was warranted. He said that they may provide sufficient information to take further action without additional investigative efforts or to conclude that no further action was needed. (b) (7)(C) (b) (7)(C) told us that their office was conducting a thorough fact-finding inquiry into allegations similar to those received by VA OIG Hotline.

Public Financial Disclosure Reports reflected that between 2008 and 2012, (b) (7)(C) had no self-disclosed financial interest in SAG, and SAG records contained no evidence that (b) (7)(C) had any financial interest in that company. OGC records reflected that (b) (7)(C) contacted (b) (7)(C) Attorney, to discuss non-Federal employment after being contacted by a "headhunter" in reference to a Chief Executive Officer position at a Tennessee hospital. OGC records also reflected that (b) (7)(C) told (b) (7)(C) of the required 1-year "cooling off period" (18 USC § 207) and reminded him of the required recusal notification under the Stock Act (Public Law 112-105). SAG records reflected no improper communication between (b) (7)(C) and any SAG employee. Further SAG records contained no personnel

records identified with (b) (7)(C) or any record that he applied for a position with the company.

VA's Electronic Contract Management System (ECMS) reflected that effective May 4, 2008, VA contracted with (b) (7)(C) for him to provide 14 days of advisory services to the Network at a total cost of \$13,188. About 18 months later, in an October 18, 2009, email (b) (7)(C) told (b) (7)(C) that he heard there were "some issues in Lexington," and that "we are here for you if you need us." On October 22, 2009, (b) (7)(C) replied, "Will let you know, thanks for inquiry." ECMS records reflected that the May 4, 2008, contract was the only one the Network had with (b) (7)(C). Articles found on various internet websites, published in 2001, reflected that (b) (7)(C) retired from VA prior to the publication of the articles, so his 1-year cooling off period was long past.

*Conclusion:*

(b) (7)(C) and (b) (7)(C) told us that VHA WFM was conducting a thorough fact-finding on allegations made against (b) (7)(C) similar to those received by VAOIG; therefore, we expended no further investigative efforts on this matter. However if new information becomes available at a later date, we may reopen the investigation. In our limited investigation, we found no evidence that (b) (7)(C) discussed post-VA employment with any SAG employee, and we found no records reflecting that (b) (7)(C) had a financial connection to SAG. Further, we found that (b) (7)(C) retired from VA prior to 2001 and that he had only one contract with the Network for advisory services in May 2008 and none since. We are closing our investigation without issuing a formal report or memorandum.

Prepared By: (b) (7)(C)

12-10-12  
Date

Approved By: (b) (7)(C)

12/10/12  
Date